

**Attachment I
Families First
Electronic Bill Payment Phase I
Concept of Operations**

**Version 6
DRAFT**

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1.0 Introduction

1.1 Overview

On 7 July 1997, the Under Secretary of Defense (Comptroller) issued Management Reform Memorandum #15 (MRM #15), which requires the reengineering of the defense transportation documentation and financial processes, as part of an effort to revolutionize DoD business practices across all Services and Agencies. A major component of the MRM #15 effort is the implementation of a third party e-commerce solution: U.S. Bank's PowerTrack. MRM #15 has been implemented for DoD freight shipments, and now efforts are focused on DoD personal property shipments, which involve moving DoD service members, civilians, their families, and their belongings to posts around the world.

In June 2002, the USTRANSCOM Personal Property report was released, and USTRANSCOM issued a directive calling for work to begin on the future Personal Property program. USTRANSCOM tasked SDDC, in conjunction with the Services and Industry, to map out the DoD Families First Program by 31 August 2002. As a part of the Families First effort, SDDC has officially stated that PowerTrack will be the third-party payment system for the Families First.

To begin moving forward with the Families First, SDDC was tasked with developing a Concept of Operations (CONOPS) that would outline the implementation of an interim Phase I that would capitalize on the electronic payment of bills. On 19 December 2002, SDDC briefed their draft CONOPS for Phase I of the Families First, and achieved sign-off from the Services on the high level concept.

A key element of SDDC's Phase I CONOPS is a new Central Web Application (CWA). The CWA will be used for accessorial authorization and for costing shipments (based on the MRT). The CWA will be built as a web front-end application and rating engine upon the TOPS History database, utilizing a portion of existing PTOPS functionality as its baseline.

1.2 Objective

The objective of Phase I is to implement the new electronic bill payment processes, in the effort to move towards the Families First. The electronic bill payment processes for Phase I will:

- Use U.S. Bank's PowerTrack as a payment tool to pay Transportation Providers
- Provide information visibility for Stakeholders (PPSOs, Transportation Providers)
- Improve the DFAS payment and collection process
- Reduce paper documentation

1.3 Scope

Phase I is to include all Service and Coast Guard installations for all domestic and international shipments. SDDC's goal is to rollout Phase I with an evaluation period to include a limited number of participating origin and destination PPSOs and Transportation Providers. SDDC indicated that lab testing will be conducted to test the new process prior to rolling it out to the sites. The initial rollout will begin in October 2003 with the full rollout to all sites beginning on or about April 2004. The Evaluation period will not involve channels – Origin/Destination GBLOCs will be chosen for shipments moving between all the GBLOCs selected.

Transportation Providers will need to be DoD-approved Transportation Providers that have PowerTrack agreements with U.S. Bank.

1.4 Organization of Document

The remainder of this document is organized as follows:

Section 2.0 – High-Level As-Is Procedures for Personal Property Shipments. This section presents a high-level data flow diagram of the current Personal Property payment process, along with a description of each step of the payment process.

Section 3.0 – Roles and Responsibilities for Phase I. This section presents the key organizations (stakeholders), as well as their roles and responsibilities, involved in the Personal Property electronic payment model.

Section 4.0 – CONOPS and Procedures for the Phase I Implementation. This section presents a data flow diagram of the electronic payment concept for the Families First Electronic Bill Payment Phase I target environment, along with a description of each step of the payment process.

Section 5.0 – Business Rules for the Phase I Implementation. This section contains the business rules that are specific to the Families First Electronic Bill Payment Phase I implementation.

Section 6.0 – Assumptions This section contains the assumptions that were used in the development of the CONOPS and Procedures for the Families First Electronic Bill Payment Phase I Implementation.

Section 7.0 – Considerations. This section details the items that will need to be considered and/or resolved prior to the Families First Electronic Bill Payment Phase I Implementation.

Section 8.0 – Metrics. This section describes the metrics that will be used to evaluate the Families First Electronic Bill Payment Phase I Implementation.

Appendix A – As-Is Personal Property Payment Processes for the Services. This section contains the documented As-Is process flows and detailed descriptions for the current Personal Property payment processes for each of the Services.

Appendix B – Phase I Implementation Plan. This section contains the plan for implementing the end-to-end processes for the Families First Electronic Bill Payment Phase I.

2.0 High-Level As-Is Procedures for Personal Property Shipments

Figure 2-1 presents a high-level process flow diagram of the As-Is Personal Property payment process. The diagram depicts the participating organizations as rectangles, processes as ovals, and the lines between them as data and information flows. The steps of the current Personal Property payment process are described on the following pages. These are presented as generic steps since there is variation across the Services. (The detailed As-Is process flows and descriptions for each of the Services are contained in Appendix A.)

There are sixteen key processes within the current Personal Property payment process. These sixteen processes are:

- Rates Data Submission (0.)
- Orders Issuance (1.)
- Shipment Data Entry (2.)
- BoL Generation (3a.)
- Shipment Data Feed (3b.)
- EDI 858 to DFAS-IN, FACTS, and GSA (4.)
- Accessorial Authorization (5.)
- Invoice Submission (6.)
- Pre-Payment Audit (7.)
- Dispute Resolution (8.)
- DFAS Data Entry (9.)
- DTOD Mileage (10.)
- Transportation Provider Payment Approval (11.)
- Transportation Provider Payment (12.)
- Payment Data Feed (13.)
- Post-Payment Audit (14.)

PLEASE NOTE: Even though this is a high-level process flow and description, there are still some differences in the current payment process that will be documented in the process description on the next few pages. These process differences have to do with the DFAS-IN Personal Property payment process, particularly with regards to the DFAS-IN EDI Invoice process, but also with DFAS-IN Paper Invoice process.

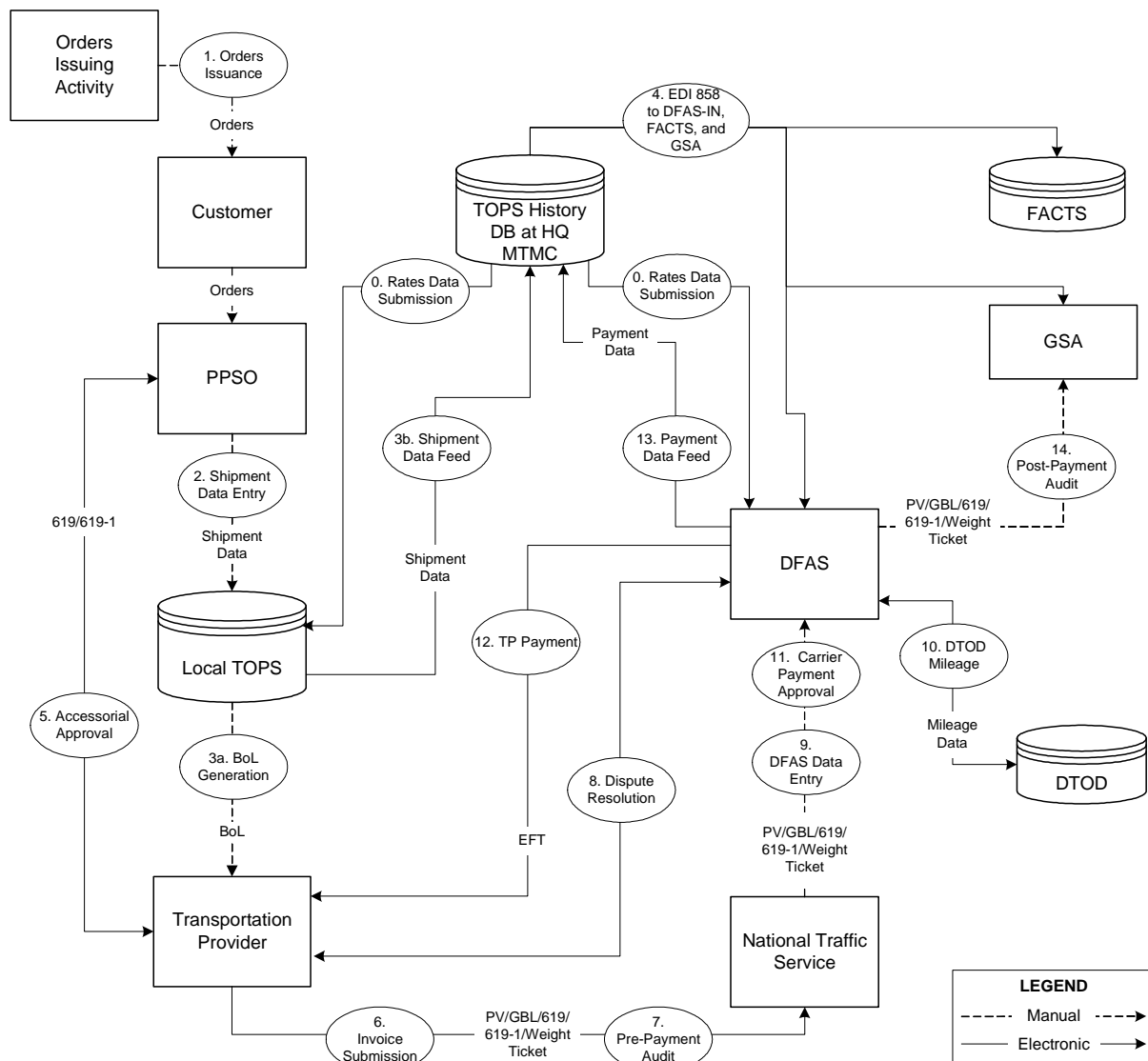


Figure 2-1: High-Level As-Is Process

0. Rates Data Submission. SDDC receives rates submitted by the Transportation Provider Industry, which are provided to the PPSO TOPS databases and DFAS for each rate cycle. These rates are used by the PPSO to establish their tonnage distribution records (TDR). DFAS requires this data for costing payments to the Transportation Providers.

1. Orders Issuance. The Orders Issuing Activity prepares the orders, and that activity's accounting office makes sure that the proper accounting data (e.g., LOA, TAC, MDC) is entered on the Transfer Orders Document. The orders are given to the Customer, who then provides them to the PPSO.

2. Shipment Data Entry. The PPSO enters shipment data into TOPS.

3a. BoL Generation. The PPSO generates a hard copy Bill of Lading (BoL) in TOPS and presents it to the Transportation Provider. The PPSO is required to maintain a hard copy of each Bill of Lading issued, including those that are cancelled. (For the purposes of this document, BoL encompasses both domestic and international Bills of Lading)

3b. Shipment Data Feed – TOPS forwards shipment data daily to TOPS History.

4. EDI 858 to DFAS-IN, FACTS, and GSA - TOPS History receives customer and shipment data from the TOPS databases and then creates the EDI 858 transaction sets to DFAS-IN, GSA, and FACTS. The feeds are updated as new data is entered into TOPS.

5. Accessorial Approval. The Transportation Provider performs services, and prepares and submits the DD Form 619 to the Origin PPSO for authorization and the DD Form 619-1 to the Destination PPSO for authorization. The Origin and Destination PPSOs review and authorize the DD Forms 619 and 619-1 respectively, and return them to the Transportation Provider.

6. Invoice Submission. The Transportation Provider submits the hard copy Public Voucher (PV), along with the GBL, 619, 619-1, and weight ticket to the DFAS Payment Center (or similar payment center organization - e.g., TVCB-Albany and USCG FINCEN). The hard copy documentation is either sent to National Traffic Service (NTS) directly or the documents are sent to DFAS and then forwarded on to NTS. In addition to accepting Paper invoices, DFAS-IN also accepts EDI invoices from Transportation Providers. No supporting paper documentation is sent for EDI invoices to DFAS-IN. 85% of the invoices received by DFAS-IN are EDI invoices.

7. Pre-Payment Audit. National Traffic Service, the third-party auditor for Marine Corps, Navy, Coast Guard, and for paper invoices for Army and Air Force, performs the pre-payment audit utilizing the hard copy documentation. Once the audit is complete, the hard copy documentation is forwarded/returned to DFAS. NTS does not perform pre-payment audits on DFAS-IN Army and Air Force EDI invoices. GSA has issued DFAS IN a waiver for not having a complete pre-payment audit for EDI invoices.

8. Dispute Resolution. DFAS and Transportation Provider representatives work to resolve billing discrepancies, such as missing signatures or differing cost amounts. If a billing dispute needs to be escalated, it is raised to SDDC, and eventually to GSA if the disagreement cannot be resolved.

9. DFAS Data Entry. Upon receipt of the hard copy documentation from the Transportation Provider at DFAS, shipment data is manually entered into the DFAS payment center system. There is no manual data entry for the data that is contained in the EDI 858s and EDI invoices that are sent to DFAS-IN.

10. DTOD Mileage. Extraction of mandated distance information is used for computation of line haul and accessorial costs by DFAS.

11. Transportation Provider Payment Approval. DFAS reviews and certifies the invoice for payment. For DFAS-IN EDI invoices, the line haul data submitted by TOPS in the EDI 858 is rated and matched against the line haul data submitted by the Transportation Provider. The accessorial charges are paid as billed by the Transportation Provider.

12. Transportation Provider Payment. DFAS makes payment to the Transportation Provider.

13. Payment Data Feed. DFAS-IN sends payment data to TOPS History.

14. Post-Payment Audit. DFAS forwards the invoice and the supporting paper documents (i.e., GBL, 619, 619-1, and Weight Ticket) to GSA. GSA will then perform a post-payment audit using the hard copy documents for Navy, Marine Corps, Coast Guard, Army, and Air Force shipments.

For DFAS-IN EDI invoices, DFAS-IN does not send hard copy documentation to GSA, since DFAS-IN is not receiving paperwork for the EDI invoices from the Transportation Provider. For the DFAS-IN Army and Air Force EDI invoices that are audited, GSA sends a request for the supporting paper documents to the Transportation Provider.

3.0 Roles and Responsibilities for Phase I

Below are the key Organizations (Stakeholders) involved in the electronic payment concept for Personal Property. Exhibit 3-1 is a high-level context diagram of the Organizations, and is followed by a description of the roles and responsibilities of these Stakeholders.

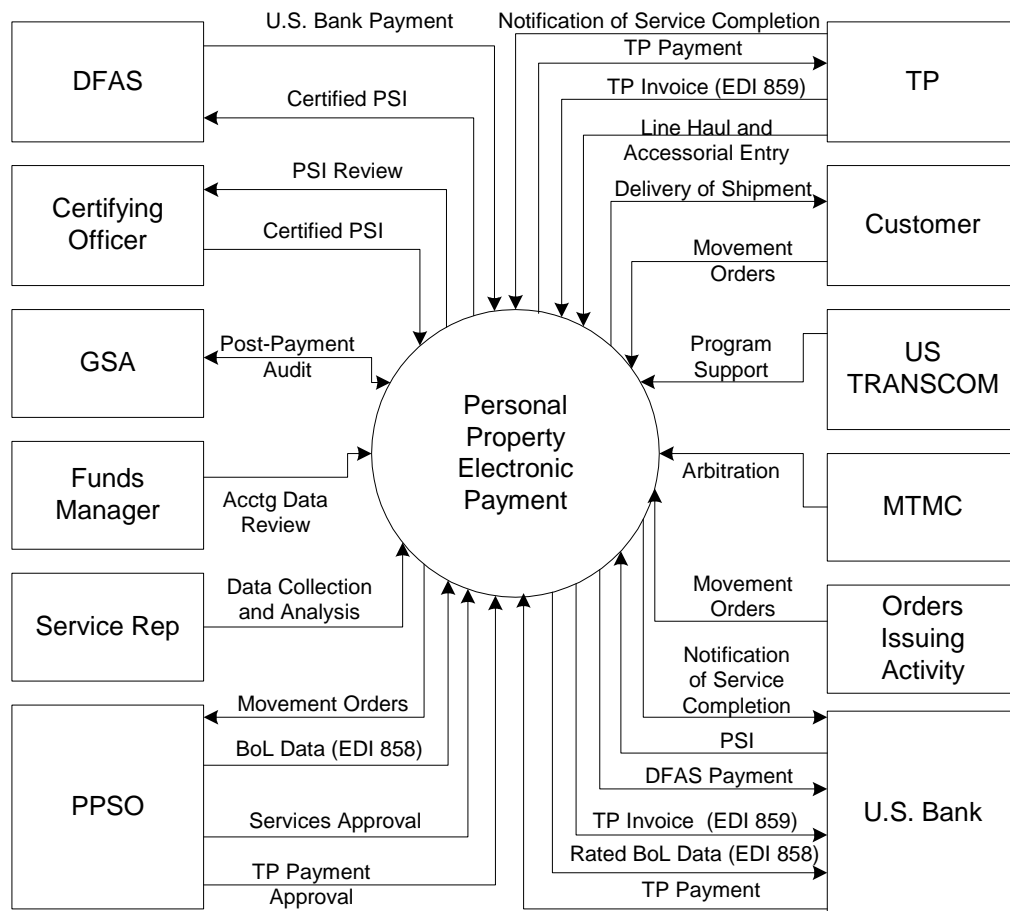


Figure 3-1: Context Diagram

The Personal Property electronic payment Stakeholders are responsible for the following functions:

- **Orders Issuing Activity:** The Orders Issuing Activity issues the movement orders to the Customer (Service Member).
- **Funds Manager:** The Funds Manager (FM) is responsible for the funds cited. The FM resolves Transportation Account Code/Line of Accounting/Movement Designator Code (TAC/LOA/MDC) disputes with Orders Issuing Activity. The FM ensures sufficient funding

levels that permit timely payment of the PowerTrack Summary Invoice (PSI) (formerly known as the Monthly Billing Statement (MBS)).

- **Service Representative:** Each participating Service will have a representative on the Phase I Implementation Team. Each representative is responsible for Service-specific issue resolution, implementation coordination, and analysis of the Phase I effort. In addition, each Service Representative will work with the Implementation Team to make recommendations based on issues identified during the implementation efforts.
- **Personal Property Shipping Office (PPSO):** The PPSO is responsible for receiving and processing movement orders using the Personal Property shipping system (TOPS). The PPSO prints a Bill of Lading that accompanies the shipment. In addition, the PPSO uses the Personal Property shipping system to generate an EDI 858 containing the line haul and accessorial data, which is then rated and sent to PowerTrack. The PPSO will resolve billing disputes with Transportation Provider and approve Transportation Provider submitted accessorial services. The PPSO is also responsible for approving Transportation Provider payment in PowerTrack.
- **Transportation Provider:** The Transportation Provider performs required services at Origin and Destination, picks up the shipment, transports it to its destination, and provides destination delivery services. The Transportation Provider will be responsible for entering all accessorial services to include packing materials, weights, actual pickup date, actual delivery date to/from residence origin, destination or storage in transit (SIT) facility into the Personal Property Central Web Application. This information will be forwarded in an EDI 858 to PowerTrack to update the delivery status. The Transportation Provider will submit an EDI 859 invoice, along with Notification of Service Completion (NOSC), or by using the web interface. The Transportation Provider receives payment from U.S. Bank and, as needed, works with the PPSO to process any credit adjustments via PowerTrack.
- **U.S. Bank:** U.S. Bank is responsible for issuing payment to Transportation Providers based on the charges that are either automatically or manually approved by the PPSO in PowerTrack. U.S. Bank also generates a PowerTrack Summary Invoice (PSI) that is provided to the PPSO of record for approval and payment. U.S. Bank subsequently receives reimbursement from DFAS.
- **Certifying Officer (CO):** The CO, who is designated/appointed by the appropriate Service or Coast Guard authority, is responsible for certifying the PowerTrack PSI. The CO is a U.S. Government employee who does not disburse U.S. Government funds. The CO prints out the PSI created by U.S. Bank and certifies the charges. After reviewing and signing the statement, the CO submits the certified statement to DFAS for payment to U.S. Bank. Once the electronic process is in place, the CO will certify electronically for FA2 LOAs and print the hard copy PSI with text LOAs.
- **Defense Finance and Accounting Service (DFAS):** As the disbursement agency, DFAS receives the certified PSIs from the CO and processes the payments to U.S. Bank.

- **SDDC:** SDDC is responsible for negotiating rates, rating personal property shipments using rates maintained in the Personal Property shipping system (TOPS), and administering the DoD Personal Property Shipment and Storage Programs as directed by USTRANSCOM. SDDC will also assist the Services and TPs in the resolution of disputed charges.
- **USTRANSCOM:** USTRANSCOM provides program oversight, regulatory, and statutory support. USTRANSCOM has oversight of the Personal Property/PowerTrack Phase I effort and provides program support.
- **General Services Administration (GSA):** GSA is responsible for overseeing the pre-payment audit, performing the post-payment audits and conducting administrative reviews.
- **Customer:** The Customer (Service Member) receives the movement orders from the Orders Issuing Activity, which results in the Customer bringing the orders to the origin PPSO. The customer will sign documents as required.

4.0 CONOPS and Procedures for the Phase I Implementation

Figure 4-1 presents a step-by-step process flow diagram of the Families First Electronic Bill Payment Phase I process. The diagram depicts the participating organizations as rectangles, processes as ovals, and the lines between them as data and information flows. Each step of the Phase I process is described on the following pages.

There are twenty-four key processes within the process. These twenty-four processes are:

- Solicitation Rate Data (0.)
- Orders Issuance (1.)
- Customer and Shipment Data Entry (2.1)
- Electronic Customer and Shipment Data Feed (2.2)
- BoL Access (2.3)
- Pre-Move Survey (2.4)
- Entry of Services for Pre-Approval (2.5a)
- Pre-Approval of Services (2.5b)
- On-Site Pre-Approval Request (2.6a)
- Entry and Pre-Approval of Services (2.6b)
- Invoice Submission/NOSC Entry (3.)
- EDI 859 Submission from PowerTrack (4.)
- Services Approval (5.1)
- Status Review (5.2)
- DTOD Mileage (6.1)
- Rating (6.2)
- EDI 858 Submission from CWA (7.)
- Transportation Provider Payment Approval (8.)
- Transportation Provider Payment (9.)
- Payment Data Feed (10.1)
- Feed to FACTS (10.2)
- PSI Certification (11.)
- U.S. Bank Payment (12.)
- Post-Payment Audit Data Retrieval (13.)



1. Orders Issuance. The Orders Issuing Activity prepares the orders, and that activity's funds management office makes sure that the proper accounting data (e.g., LOA, TAC,

MDC) is entered on the Transfer Orders Document. The orders are given to the Customer, who then provides them to the PPSO.

2.1 Customer and Shipment Data Entry. The Customer presents the orders to the Personal Property Shipping Office (PPSO) and shipment data is entered into Local TOPS. A copy of the BoL is printed and given to the Transportation Provider/Agent.

2.2 Electronic Customer and Shipment Data Feed. This is the data that is produced by the TOPS application, which is transmitted to the CWA. (The transmission from TOPS is triggered by the PPSO printing the BoL.)

2.3 BoL Access. The Transportation Provider or other organizations such as GSA, will be able to print out a BoL from CWA via the web.

2.4 Pre-Move Survey. TP performs pre-move survey and identifies accessorial services requiring pre-approval (i.e., approved by PPSO before TP performs services).

2.5a Entry of Services for Pre-Approval. TP logs onto CWA's pre-approval screen and enters the services requiring pre-approval.

2.5b Pre-Approval of Services. CWA notifies PPSO by e-mail of services awaiting pre-approval; PPSO logs onto pre-approval screen and approves or denies each service. PPSO enters notes for denied services. TP can log on to review status of pre-approval services entered.

2.6a On-Site Pre-Approval Request. If TP is on-site or if a short timeframe exists, TP will request pre-approval via telephone.

2.6b Entry and Pre-Approval of Services. PPSO will enter services into CWA and provide pre-approval in real time verbally and electronically.

3. Invoice Submission/NOSC Entry. After delivery to SIT or residence, the Transportation Provider submits invoice for services provided to PowerTrack, along with Notice of Service Completion (NOSC) indicating the transit status, for line haul and accessorial services. The invoice and NOSC can be submitted either electronically in an EDI 859 or manually via the PowerTrack web interface.

The Transportation Provider will provide the DTR required documents (i.e., annotated GBL, inventory, signed 619 and weight tickets) to the PPSO within seven days of pickup and maintain copies of all supporting documents for audit and dispute purposes. (SDDC is working to reduce the hard copy document requirements for Transportation Providers.)

4. EDI 859 Submission from PowerTrack. PowerTrack sends the information from the invoice needed for rating to CWA along with a unique PowerTrack assigned line-item identifier.

5.1 Services Approval. Origin and Destination PPSOs will approve, deny or place in dispute the requested services (line haul and accessorials) in the CWA. A denied status is given when the PPSO does not agree with the item submitted for payment, whereas an item placed in dispute means that the PPSO is not in agreement with the quantities submitted. The TP and PPSO MUST manage any dispute resolution in the CWA, as both Origin and Destination PPSOs have visibility of the line-items submitted for approval. The Destination PPSO does not have visibility in PowerTrack.

5.2 Status Review. TPs can review approval status of services via the web interface of CWA. If a line-item has a status of In Dispute, the TP can adjust the quantity for the PPSO to review and approve.

6.1 DTOD Mileage. CWA will transmit the From and To location information to DTOD, and DTOD will return the number of miles between the From and To location points.

6.2 Rating. Once all services on the invoice are approved or denied, the CWA will rate all line-items, and assign a quantity of zero and cost of zero dollars for denied services.

7. EDI 858 Submission from CWA. CWA feeds an EDI 858 containing data for rated line haul and accessorial services, and denied services (with a quantity of zero and zero dollars) to PowerTrack.

8. Transportation Provider Payment Approval.

PowerTrack compares the Transportation Provider cost data against the CWA cost data using the Matching Model with multiple invoices per BoL. PowerTrack will “match” data for each invoice at the line-item level. The Shipper side of the transaction will establish the maximum total dollar amount that can be paid to the TP for an invoice.

If there are services submitted for each side, the Shipper and Transportation Provider must match costs within a predetermined tolerance on the line-item total. PowerTrack will flag the invoice on which the line-item costs are not within tolerance as an “**Audit Exception**”. If all the invoice line-item dollar amounts are equal (or within the tolerance) to the Shipper side, the invoice will be automatically approved for payment.

If an audit exception exists, the Transportation Provider will adjust their cost to match the PPSO data and once the cost has been updated and matched, the transaction will automatically be approved. Transportation Providers using EDI 859 for invoice submission will have the option to resubmit a corrected 859 with updated quantities and/or rates or use the web interface to make their adjustments.

PowerTrack also checks whether the total cost of the invoice is less than a pre-determined maximum price threshold. The purpose of this threshold is to flag shipments, whose costs are at, or above, the high-end of the cost curve, for further review prior to approval for payment.

If the line-item costs are within the established tolerance, and the total invoice cost is less than the maximum established threshold, PowerTrack automatically “**Approves**” payment of the Transportation Provider invoice. If the total cost is above the maximum threshold, PowerTrack flags the invoice as being in “**Approval Required**” status. The PPSO then must manually approve the invoice for payment on PowerTrack.

Examples of Auto Approval/Audit Exception under Line-Item Matching

Line Haul (LH) and Accessorial Line-Item Tolerance is +/- \$10 (value is purely for example)

And Invoice Threshold is <= \$1,500 (value is purely for example)

Example #1:

Government Cost = \$1,290

LH = \$1,000

Accessorial A = \$200

Accessorial B = \$90

TP Cost = \$1,301

LH = \$1,000

Accessorial A = \$205

Accessorial B = \$96

Total cost < \$1,500

AND Cost difference on individual line-items < \$10

PowerTrack will Approve for Payment

Example #2:

Government Cost = \$1,290

LH = \$1,000

Accessorial A = \$200

Accessorial B = \$90

TP Cost = \$1,307

LH = \$1,000

Accessorial A = \$211

Accessorial B = \$96

Total cost < \$1,500

BUT Cost difference on Accessorial A > \$10

PowerTrack will place transaction in Audit Exception

9. Transportation Provider Payment. As invoices are approved for payment, and as long as an NOSC has been submitted by the Transportation Provider, U.S. Bank makes payment to the Transportation Provider.

10.1 Payment Data Feed. PowerTrack feeds actual payment data on each line-item to the Personal Property Central Web Application.

10.2 Feed to FACTS. The Personal Property Central Web Application feeds the EDI 858 to FACTS.

11. PowerTrack Summary Invoice (PSI) Certification. The PSI is printed out, reviewed, and certified by the Certifying Officer. The Certifying Officer sends the certified PSI to DFAS.

12. U.S. Bank Payment. DFAS pays U.S. Bank the amount on the certified PSI.

13. Post-Payment Audit Data Retrieval. GSA will conduct post-payment audits, using invoice data from PowerTrack and data on authorized services and weights from the CWA. GSA reserves the right to request hard copy supporting documentation from the Transportation Provider to conduct post-payment audits.

5.0 Business Rules for the Phase I Implementation

This section presents the business rules that were discussed with the Stakeholders, including the military services and the transportation provider industry of the Phase I implementation. The business rules will be subject to changes and enhancements throughout the implementation.

Section 5.1 describes the PowerTrack payment model that will be used for Personal Property invoice payment. Knowledge of this model is helpful in understanding the business rules that are described in the following sections.

Section 5.2 summarizes the business rules for the key processes that were identified in Section 4.0. These processes are repeated below.

- Solicitation Rate Data (0.)
- Orders Issuance (1.)
- Customer and Shipment Data Entry (2.1.)
- Electronic Customer and Shipment Data Feed (2.2.)
- BoL Access (2.3.)
- Pre-Move Survey (2.4)
- Entry of Services for Pre-Approval (2.5a)
- Pre-Approval of Services (2.5b)
- On Site-Pre-Approval Request (2.6a)
- Entry and Pre-Approval of Services (2.6b)
- Invoice Submission/NOSC Entry (3.)
- EDI 859 Submission from PowerTrack (4)
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- DTOD Mileage (6.1)
- Rating (6.2)
- EDI 858 Submission from CWA (7.)
- Transportation Provider Payment Approval (8.)
- Transportation Provider Payment (9.)
- Payment Data Feed (10.1.)
- Feed to FACTS (10.2.)
- PSI Certification (11.)
- U.S. Bank Payment (12.)
- Post-Payment Audit Data Retrieval (13.)

5.1 PowerTrack Payment Model for Personal Property

The PowerTrack business process model for Phase I is the Line Item Matching Model.

Matching Model with Multiple Invoices per Bill of Lading: Both Shipper and Transportation Provider submit shipment price data to PowerTrack. The Shipper's transaction data will be submitted via multiple EDI 858 transaction sets from the Central Web Application (CWA). The TP may submit his invoices via EDI 859s or manual submission through the PowerTrack web interface. PowerTrack will assign a unique line item identifier to each line item in the TP invoice and send this amended EDI 859 invoice to CWA for approval and rating. The rated Shipper side of the transaction, sent back to PowerTrack via EDI 858, will establish the maximum line item dollar amounts that can be paid to a TP for each invoice. The total dollar amount paid for each BoL will increase with each additional invoice submitted and paid.

While payment in PowerTrack is at the invoice level, matching will occur at the line item level. What this means is that, for each invoice, PowerTrack will compare each line item and dollar amount against the line item and dollar amount on the shipper's invoice for that BoL. If either the line item cannot find its corresponding match or the dollar amounts for matched line items are not equal (or within tolerance), the invoice will be go into Audit Exception status. If all line items and costs match on an invoice, the invoice will be automatically approved for payment. As payment is on an invoice basis, a BoL with a 1st invoice in a status of Approval Required or Audit Exception will allow for a 2nd invoice to match and pay.

5.2 Key Process Business Rules

- **Orders Issuance (1.0)**

- a. The order issuing process will remain unchanged for the Phase I implementation.
- b. The appropriate orders issuing activity (e.g. personnel office) prepares the Transfer Orders Document.
- c. The orders issuing activity determines the correct appropriation data (e.g. LOA, TAC, MDC) to assign to the orders. If necessary, the orders issuing activity will confer with the activity's accounting office to make sure that the correct data is entered onto the Transfer Orders Document.
- d. The Transfer Orders Document is provided to the Customer, who then provides it to the Personal Property Shipping Office (PPSO).

- **Customer and Shipment Data Entry (2.1)**

- a. As part of the process of counseling the Customer regarding their options, the PPSO will enter the Customer's data into Local TOPS for all shipments that can be processed by

TOPS. The PPSO will also enter the accounting information from the customer's orders, (the exact data varies by Service).

- b. TOPS does not capture the Standard Document Number (SDN) that may appear on a customer's orders (The SDN is critical for particular Services in order for the liquidation of the correct fund cite to occur). The PPSO therefore must enter this information into the CWA web interface once the BoL information is made available by the printing of the BoL in local TOPS, sending it onto CWA.
- c. The weight ticket information must be entered into Local TOPS by the PPSO. The TP, as per the DTR, has to provide the required documents within 7 days of pickup. The entry of this information triggers a number of significant actions in TOPS History inclusive of the population of the weights into CWA.
- d. PPSO will enter in TOPS the proper Origin PPSO and Destination PPSO GBLOCs for the shipment. The GBLOC is used to identify the site in the CWA. If the wrong identifiers are used, the wrong PPSOs will be assigned to view the shipment in CWA.
- e. When notified of a diversion, the Origin/Destination PPSO will change the final Destination location in CWA in order for the correct destination PPSO to be associated with the destination services. TOPS does not feed TOPS History/CWA with diversion updates. SDDC will process shipments that are diverted during the Evaluation Phase to non-participating sites.
- f. The "Bill To:" field on the BoL must contain "US_Bank_PowerTrack" to identify PowerTrack shipments. This process will be automated in Local TOPS.
- g. Phase I will include participating Service and Coast Guard Sites for Codes 1-8, T, and J shipments. With Code 5, T, and J shipments, the portion transported by the TP will be paid by PowerTrack, while the portion transported by AMC/MSC will be paid as it is today in the current Personal Property program.
- h. Any shipment that moves on a PPBoL or PPGBL will be a part of Phase I, with the exception of:
 - ☐ Non-Temporary Storage
 - ☐ Shipments moved under local contracts (e.g., delivery out of SIT after conversion to customer expense)
 - ☐ Direct Procurement Method
 - ☐ Personally Procured Moves
 - ☐ Special Solicitations (e.g., shipments to Kuwait, Cairo, Thailand, etc.)
 - ☐ Shipments moved under Privately Owned Vehicle (POV) contracts

- i. The PPSO will use TOPS to select a TP and book the shipment. TP selection will remain unchanged with the rollout of Phase I.
 - j. If a One-Time-Only rate tender is required, SDDC-HQ will solicit for appropriate single factor rate (SFR) tenders from TPs. SDDC-HQ will select a SFR and award the shipment to the TP who submitted it. The SFR will be entered into TOPS to be passed onto CWA for rating purposes.
- **Electronic Customer and Shipment Data Feed (2.2)**
 - a. The PPSO will print the BoL document and provide a copy to the agent or Transportation Provider as is done in the current program. This triggers the feed of data from Local TOPS to TOPS History and CWA. The printing of the BoL needs to be completed immediately after booking to ensure that the data will be in CWA by the time the Pre-Move Survey is completed.
- **BoL Access (2.3)**
 - a. Once the data is in the CWA the TP will be able to print additional copies of the BoL from the CWA.
 - b. Other organizations with read-only access to CWA will have the ability to print copies of the BoL data (e.g. GSA)
- **Pre-Move Survey (2.4)**
 - a. The TP will contact the customer to complete the Pre-Move Survey and identify accessorial services that will require PPSO pre-approval.
- **Entry of Services for Pre-Approval (2.5a)**
 - a. The TP will log on to the CWA's Pre-Approval screens to enter services identified in the pre-move survey require pre-approval. The accessorial services requiring pre-approval remain the same as in the current program.
 - b. Pre-approval requests must be submitted at least 5 GBDs before the pickup date.
 - c. For each pre-approval service entered into CWA, the appropriate location, origin or destination, must be assigned.
 - d. Pre-Approval of these items must be received before the TP can perform the service.
- **Pre-Approval of Services (2.5b)**
 - a. The PPSO will respond to the email notification from CWA and log on to CWA everyday and approve or deny the services for pre-approval within 3 Government Business Days (GBDs) of submission.

- b. The PPSO will only pre-approve or deny the services to be performed. The quantities are likely to be unknown at this interval.
- c. If the PPSO disagrees with a service, they will mark it as denied and must enter a reason in the NOTES field.
- d. The TP will review the status (approved or denied) of pre-approval services via the CWA web interface.

- **On Site-Pre-Approval Request (2.6a)**

- a. There are instances where the items requiring pre-approval will not be known until the time of pickup or delivery. Additionally, there may be a short timeframe between the booking of the shipment and pickup date. In these scenarios, the TP will call or fax the PPSO to receive real time pre-approval to perform the services.

- **Entry and Pre Approval of Services (2.6b)**

- a. The PPSO will enter the services for which pre-approval was requested by telephone or fax into the CWA Pre-Approval screens at the time of the On-Site Pre-Approval Request. The PPSO must enter both the approved and denied services for reference.

- **Invoice Submission/NOSC Entry (3.0)**

- a. Once a shipment has been picked up and delivered to SIT or Destination, the TP will submit an invoice for the services performed and requiring payment through PowerTrack.
 - b. The TP will submit shipment transit status (i.e. delivered to SIT, delivered to Destination) and rated invoice data to PowerTrack via an EDI 859 transaction set (preferred), or via the PowerTrack web interface.
 - c. The invoice must contain the unique BoL for that shipment and the TP assigned invoice number. The services on the invoice will include line haul and all the accessorials including storage in transit data (if applicable), number of boxes, packing/unpacking labor, surcharges such as fuel and bunker surcharges, etc.
 - d. The TP must report notification of service completion (NOSC) of the shipment to PowerTrack before the payment can be made.
 - e. Each service line item will indicate whether it is an Origin or Destination service. This will be used to help CWA identify which PPSO can approve or deny line items in process
- 5.0.

- f. All documentation must be maintained by the TP, so copies (or originals if requested) can be provided to GSAGSA reserves the right to request documentation directly from the TP.
- g. The TP will submit the Net, Gross and Billed weight, if applicable, to PowerTrack (either via the web interface or the EDI 859).
- h. For TPs using an EDI 859 transaction set to invoice into PowerTrack, receipt and error notification will be in the form of a 997 for acknowledging receipt and/or rejecting for syntax errors, and an 824 report on the PowerTrack web site will identify errors from CWA besides syntax.
- i. Transportation Providers have the choice of submitting more than one invoice against a single BoL. Each invoice must reference the BoL number and the unique invoice number.

- **EDI 859 Submission from PowerTrack (4.0)**

- a. PowerTrack will assign a unique identifier known as the LineIDC for each line item submitted on the TP's invoice and create an EDI 859 to be sent to CWA. If the TP submitted an EDI 859 to PowerTrack, PowerTrack will insert its LineIDC into the 859. This same identifier will be used by CWA. This identifier is critical in the line item matching process and will allow for the same item codes with different quantities (such as Third party Services, TPS) to match and pay successfully on an invoice

- **Services Approval (5.0)**

- a. The Origin PPSO of record and Destination PPSO(s) of record (from TOPS) will have access to the shipment data in the CWA.
- b. With the exception of certain services which are automatically approved (e.g.) whenever a service line item is created in the CWA it will be assigned an approval status of Pending.
- c. When a PPSO logs on to the CWA they will be able to view a list of all shipments for which they are either an Origin or Destination PPSO, and for which there is at least one service line item with an approval status of Pending. The PPSO will view the list of services that have been submitted by the TP. The PPSO will be able to filter the view by approval status to show only Approved, only Denied, only In Dispute, only Updated or only Pending service line items.
- d. The CWA will notify the appropriate PPSO via email twice daily that items exist in CWA requiring their approval. The PPSO has 3 GBDs in which to assign a status of Approved, In Dispute, or Denied to items within an invoice.

- e. The appropriate PPSO reviews the line items that still have a status of Pending and assigns one of the following approval statuses based on the following criteria:
 - ❑ **Approved:** PPSO agrees that the services were requested and performed, and they agree with the quantities.
 - ❑ **Denied:** PPSO disagrees that the services were requested and performed. The PPSO must enter a reason in the Notes field for denied line items.
 - ❑ **In Dispute:** PPSO agrees that the services were requested and performed, but disagrees with the quantities. The PPSO must enter a reason in the Notes field for disputed line items.
- f. TPs will have access to a downloadable report, which lists the approval status of services submitted to CWA. The status will show all services approved, denied, in dispute or pending action.
- g. TPs will have the ability to view the status of line items via the CWA web interface. If an item is In Dispute, the TP can adjust their quantities. If the quantity is changed, the status will be changed from In Dispute to Updated. CWA will alert the PPSO via email of items that have been Updated by the TP and requiring PPSO approval. TPs will not be able to modify the quantity of service items that have a status of Approved or Denied.
- h. If it is determined that the TP is entitled to payment of a Denied item before the invoice is rated and sent to PowerTrack, the PPSO will change the status to Approved. If the invoice has already been rated and locked from further changes, the TP may include that item on a supplemental invoice through PowerTrack.
- i. All Disputes must be resolved in CWA as the destination PPSO does not have visibility in PowerTrack and therefore no approval authority in PowerTrack.
- j. PPSOs will not change the quantities or rates in PowerTrack unless it is determined that CWA incorrectly rated a line item. Therefore, if a dispute is not resolved in CWA, TPs must use supplemental invoices.
- k. Use of Ebills will be minimal in Phase 1 as TPs are encouraged to submit supplemental invoices for additional items not paid on the original invoice. This is done so that the destination PPSO will have visibility and approval authority of the charges in CWA.
- l. If a TP owes the government a refund, the Origin PPSO must enter the Ebill, linked to the BoL number or invoice number of the original TP invoice, into PowerTrack for the amount owed.
- m. CWA will notify PPSOs of “services waiting approval” older than 3 GBD via email. An aging report will be available for the military Services to determine the average number of days for “services awaiting approval” by PPSOs.

- **DTOD Mileage (6.1)**

- a. For service line items which require the number of miles (e.g. Line Haul, Delivery out of SIT, etc.), CWA will transmit the location information associated with the From and To locations to DTOD, and DTOD will return the number of miles between the From and To locations for reference purposes.
- b. If a PPSO disagrees with the Origin or Destination location submitted by a TP, they will mark as Denied.
- c. If the PPSO disagrees with the mileage submitted by the TP, it will be marked as In Dispute with Notes until the TP updates the mileage.

- **Rating (6.2)**

- a. Once the PPSO has marked all items on an invoice as Approved or Denied, it will be ready to be rated by CWA.
- b. Denied line items will be assigned a quantity of zero and a cost of zero. Both approved and denied line items will be sent in the 858 back to PowerTrack.
- c. CWA will use the quantities and location information associated with each service line item to calculate the correct cost of each service line item in accordance with the rates on file for the TP of record.
- d. If a line item is approved by the PPSO, and the CWA in trying to rate it determines that it cannot be rated:
 - ❑ CWA assigns a status of Denied and a quantity and cost of zero
 - ❑ CWA adds text to the Notes field indicating it was denied for lack of information

- **EDI 858 Submission from CWA (7.0)**

- a. CWA feeds an EDI 858 containing data for rated (approved and denied) line items to PowerTrack
- b. The EDI 858 will reference the BoL number as the key field along with the LineIDC, and the invoice number sent in the EDI 859 from PowerTrack
- c. The initial 858 sent from CWA for a given BoL will be sent as an Original 858. As new services are approved and rated, subsequent 858s will be sent as incremental update 858s. If a diversion or reweigh occurs, the 858 will be flagged so that the header level information such as addresses and weights can be updated

- **Transportation Provider Payment Approval (8.0)**

- 1. Payment Requirements**

- a. PPSOs can assign each individual PowerTrack user within an office a different maximum dollar amount for TP payment approval. If the BoL price on a shipment exceeds a user's maximum, that user will not be able to approve TP payment.
- b. The TP payment process cannot begin until the Shipper and TP portions of the transaction have been matched by the unique BoL, SCAC and Invoice Number combination. The event to confirm that services have been performed will be the receipt of the TP's notification of service completion. Actual TP payment will be based on the services provided under the BoL.

- 2. Automatic Approval of Payment**

- a. One of the advantages of PowerTrack is that invoices can be automatically approved for TP payment if they meet certain criteria.
- b. Once the rated shipper's invoice is received in PowerTrack, it is the TP's responsibility to update quantities or costs in PowerTrack to match the data submitted from CWA.
- c. If the quantity of an item was changed or denied in CWA, the TP must edit his invoice in PowerTrack or the transaction will be placed in Audit Exception. For denied line items, TPs must change that item cost and quantity to zero for it to match in PowerTrack. Once the items and costs match, the invoice will automatically be approved if its total cost falls below the predetermined maximum threshold.
- d. The PowerTrack Business Rule Set capability will be used to describe the conditions under which automated TP payment approval will occur. Even if an invoice has been approved, the TP payment process cannot begin until there is confirmation (NOSC) in PowerTrack that services have been performed. Transactions that fall outside the bounds of the Business Rules for automated approval must be approved manually.
- e. HQ SDDC will establish DoD's policy for automated TP payment approval using PowerTrack's matching model. This policy will be encoded into the DoD Business Rule Set within PowerTrack and all organizations will use this Business Rule Set as the basis for processing transactions.

3. Manual Approval of Payment

- a. The Origin PPSO must approve for payment the amount they determine the government is responsible to pay.
- b. The Origin PPSO must work with the Destination PPSO to correctly approve invoices for payment as only the Origin PPSO has access to the transactions in PowerTrack.
- f. Origin PPSOs must log on daily in PowerTrack to review transactions that have a Financial Status of :
 - ❑ Audit Exception - where the PPSO must review to determine if there are CWA rating errors requiring a manual fix of the line item or if an action is required by the TP
 - ❑ Approval Required - where the maximum threshold is below the total cost of the invoice and manual approval is required by the PPSO
 - ❑ Hold – where the PPSO has placed an invoice on hold requesting further information on the charges
- c. For transactions in a status of Approval Required, the PPSO must take one of the following actions within 3 government business days after notification of service completion:
 - ❑ Approve the payment
 - ❑ Place on hold and request additional information from the TP, using the Notes section of the transaction
 - ❑ Deny payment and record reason in the Notes Section of the transaction.
- d. Once a response is received on a hold, the Origin PPSO that placed the hold has 3 government business days to approve or deny.
- e. If an invoice matches on cost but is above the predetermined threshold it will be placed in a status of Approval Required. The Origin PPSO must manually approve these transactions within 3 GBDs.

- **Transportation Provider Payment (9.0)**

- a. US Bank will not pay the TP until notification of service completion and PPSO approval (either automatic or manual) are received. U.S. Bank will pay the TP after the PPSO approves the invoice for payment, removes an invoice from hold status, or resolves an eBill. The TP payment approval process outlines the actions that Origin PPSOs should use to approve transactions.
- b. U.S. Bank pays TP by submitting an EDI 820 remittance to the TP system and an electronic Funds Transfer (EFT) to the TP bank.

- **Payment Data Feed (10.1)**
 - a. PowerTrack feeds payment data to the Personal Property Central Web Application using an EDI 811 transaction set.
 - b. The EDI 811 will list the all line items and the corresponding dollar amounts for each invoice. It will also include the LOA/TAC/MDC and obligation data assigned to each service line item.
- **Feed to FACTS (10.2)**
 - a. The Personal Property Central Web Application feeds the EDI 858 to FACTS.
- **PowerTrack Summary Invoice (PSI) Certification (11.0)**
 - a. Procedures for the Prompt Payment Act and the responsibilities for certifying officers, accountable officials, and review officials are contained in DODFMR, Volume 5, Chapter 33, Accountable Officials and Certifying Officers. Under the terms of the PowerTrack contract, Prompt Payment Act interest begins to accrue 15 days from the PSI availability date. The PSI and supporting documentation must be certified and arrive at the designated DFAS payment center by the 5 GBD following receipt of the PSI. This is to ensure the payment center has sufficient time to disburse the amount owed to U.S. Bank. Designated DFAS payment centers (for addresses go to www.dfas.mil) are TBD.
 - b. The Certifying Officer will print the PSI after the 15th of the month (next business day, if the 15th falls on a weekend) or when U.S. Bank generates the PSI on the PowerTrack web site, whichever occurs later.
 - c. The PowerTrack PSI must be reviewed and certified by the Certifying Officer prior to pre-validation of available funds by the designated DFAS payment office. The overall scope of the review is to ensure that the invoice contains the necessary substantiation and documentation for lawful and proper payment.
 - d. Line of Accounting will summarize transportation charges on the U.S. Bank PSI. Supporting detail is available in PowerTrack. The Expense Distribution Report or a similar report providing shipment level detail will also be printed for use in the certification process and for submission to DFAS. The Expense Distribution Report or a similar detail report will contain the shipment record to include the Standard Document Number. Obligation data is mandatory and must be shown on the Expense Distribution Report or similar detail report. If the LOA contains the Obligation data, then it will be summarized on the PSI.
 - ❑ The DFAS accounting systems require Obligation data to identify a transaction for processing within the system. If the Obligation data is not present in the incoming certified billing on a transaction for self, the DFAS paying office will contact the supporting Funds Manager for valid Obligation data.

- e. If the LOA is missing, PowerTrack will assign “Not Populated” in the LOA field. This field remains open for editing from the BoLs receipt from CWA until PSI generation. The CO must proactively research instances of missing or inaccurate LOAs for the origin site throughout the PSI cycle period using the Expense Distribution Report, correcting the LOA for the respective TP invoices.
- f. After the PSI is generated, the LOA fields are locked from further edits. The CO, then, manually corrects LOA on the PSI hard copy before sending on to DFAS.
- g. The Certifying Officer will review the PSI from U.S. Bank to ensure that it reflects the actual TP payments and existing LOAs and Obligation data. The Certifying Officer will accomplish the pre-payment review of the PSI by validating the shipments from the PSI against details showing shipment level detail verifying that the payment amounts are the same as those on the associated PAYMENT SETTLED requests in the PowerTrack database. Any discrepancies are to be immediately brought to the attention of the PowerTrack Help Desk. The Certifying Officer must correct any LOA or Obligation data errors discovered on the PSI and/or Expense Distribution Report and send it to DFAS within 5 government business days (GBD) of the PSI availability date.
 - ❑ Prior to certification of the PSI, the Certifying Officer will review LOAs and Obligation data for accuracy.
 - ❑ If the PSI is missing the shipper’s appropriation (LOA/ Obligation data) or the appropriation (LOA/Obligation data) is apparently incorrect; the Certifying Officer will contact the activity funds manager to resolve the discrepancy in PowerTrack. An entry in the Notes component of PowerTrack will be prepared documenting the actions taken to establish the correct appropriation.
- h. Payment from the government to U.S. Bank is required in 15 days or less (“net 15 days”) from the date the PSI is first available. The bank invoice must be certified and arrive at the designated DFAS payment center by the 5th GBD following receipt of the PSI. This is to ensure the payment center has sufficient time to disburse the amount owed to U.S. Bank.
- g. The Certifying Officer signs the PSI to certify the PSI as correct and proper for payment to U.S. Bank. This must be accomplished within 5 GBDs from the PSI availability. Certification means that the PSI accurately reflects actual payments made to TPs. The initial pre-TP-payment approval process certified each payment transaction as being true and correct. The signed PSI and Expense Distribution Report or similar detail report is sent by fax (preferred) or overnight mail (by traceable means) to the DFAS payment center designated for that Certifying Officer. The certified PSI and Expense Distribution

Report (or similar detail) must arrive at the appropriate DFAS payment center NO LATER THAN 5 GBDs from the PSI availability date.

- ❑ The following certification statement must appear on the face of the PSI along with signature of the authorized certifying officer:

“Pursuant to authority vested in me, I certify that this billing statement is correct and proper for payment, except as may be noted herein or on supporting documents.”

John Doe
Authorized Certifying Officer

Business Rules for PSI Certification	
Condition	Rule
Certifying Officer prints PowerTrack Summary Invoice (PSI) delivered via the PowerTrack desktop	Certifying Officer stamps Prompt Pay Act effective date on PSI. Under the terms of the PowerTrack contract, Prompt Payment Act interest begins to accrue 15 days from the PSI availability date.
PSI not available or Certifying Officer encounters problems printing PSI.	Certifying Officer contacts PowerTrack Help Desk.
Certifying Officer performs pre-payment statement review to ensure statement reflects actual TP payments.	Review PSI Shipment Detail Listing and verify that the payment amounts are the same as those on the associated PAYMENT SETTLED requests in PowerTrack
Certifying Officer reviews Summary By Accounting Code section of PSI to identify any invalid LOAs.	Use PowerTrack to drill down to transactions for invalid LOAs and use information to contact the PPSO and/or shipment requestor and correct LOA entries. Certifying Officer has five (5) GBDs to correct the LOAs .
Certifying Officer determines the PSI to be correct and proper.	Certifying Officer signs PSI and submits it to proper DFAS-Component for their Service. Certifying Officer certifies within 5 GBDs days and sends by fax or express mail (by traceable means) to DFAS or Coast Guard Finance Center. PSI must arrive at payment center NLT 5 GBDs from PSI availability date.
PPSO or Certifying Officer discovers overpayment	PPSO or Certifying Officer effects price adjustment using the eBill process.

- **U.S. Bank Payment (12.0)**
 - a. The U.S. Bank PSI charges will be summarized by Line of Accounting. Supporting detail is available in the download details of PSI in PowerTrack.
 - b. If the DFAS payment office receives a certified PSI with a LOA that fails edit in the entitlement system because of insufficient obligations, DFAS will contact the funds holder for authority to increase the obligation prior to payment. If the LOA fails the edit because of no obligation, DFAS will contact the funds holder to identify the appropriate accounting data and process the payment to U.S. Bank. .
 - c. Adjustments will be credited/debited to the detail LOA and will offset or increase the amount paid to U.S. Bank for that PSI.

Business Rules for Bank Payment	
Condition	Rule
Line of Accounting fails edit in the entitlement system because of insufficient obligation	DFAS will contact the funds holder for authority to increase the obligation prior to payment
Line of Accounting fails edit in the entitlement system because of no obligation	DFAS will contact the funds holder to identify the appropriate accounting data and process the payment to U.S. Bank.
Line of Accounting fails edit in the entitlement system because of validity	DFAS will contact the funds holder to identify the appropriate accounting data and process the payment to U.S. Bank.
DFAS receives certified PSI	DFAS must provide payment for the PSI within 15 calendar days after the PPSO received the invoice from U.S. Bank.

- **Post-Payment Audit Data Retrieval (13.0)**
 - a. GSA will conduct post-payment audits, using invoice data from PowerTrack and data on authorized services and weights from the CWA. GSA reserves the right to request hard copy supporting documents from the TP to conduct post payment audits.
 - b. TPs have the option of providing hard copy documents to GSA before they are requested.

6.0 Metrics

This section describes the metrics that will be used to evaluate the Personal Property prototype implementation – to measure successes and to identify issues. Metrics are to be collected and evaluated by site to ensure that the Personal Property prototype accomplishes the following goals:

- Improve accuracy of payments and collections (1.0)
- Improve timeliness of payments and collections (2.0)
- Establish better upfront transportation documentation (3.0)

The following table provides specific metrics to be collected and analyzed to accomplish the above goals.

No	Metric	Definition	Goal	Source	Unit
1	Transportation Provider payment cycle time	Time from Transportation Provider's notification of service completion (NOSC) until PowerTrack transmits payment to the Transportation Provider	1,2	U.S. Bank	Days
2	Bank payment cycle time	Time from when PSI/invoice is available to the Certifying Officer until the EFT is generated by DFAS	1,2	DFAS U.S. Bank	Days
3	% of eBill occurrences	Percentage of eBills relative to the total number of shipments processed	1,3	U.S. Bank	%
4	Dollar amount for eBill occurrences	The absolute dollar value of the eBills	3	U.S. Bank	\$'000s
5	Unmatched BoLs	Number of times when a BoL is unmatched in PowerTrack	2	U.S. Bank	No.
6	PSI/invoices LoA count	Number of LoAs on PSI/invoices	1,2	U.S. Bank	No.
7	Invalid LoAs	Number of LoA transactions that use invalid LOAs (blank)	1,2	DFAS	No.
8	Dollar amount of invalid LoAs	Dollar amount of LoA transactions that use invalid (blank) LoA	1,2	DFAS	\$'000s
9	Interest paid on late payment to U.S. Bank	Total dollar value for interest paid to U.S. Bank	1	DFAS/US Bank	\$'000s
10	Delinquent Bank payment	Total dollar amount overdue to U.S. Bank	1	U.S. Bank	\$'000s
11	Automated approval	No. of approvals done automatically through PowerTrack	2,3	U.S. Bank	No.
12	Dollar amount of automated approvals	Dollar value of approvals done automatically through PowerTrack	2,3	U.S. Bank	\$'000s
13	Manual approval	No. of approvals done manually through PowerTrack	2,3	U.S. Bank	No.
14	Dollar amount of manual approvals	Dollar value of approvals done manually through PowerTrack	2,3	U.S. Bank	\$'000s

Appendix A: Proposed To-Be Personal Property Payment Processes for the Services

Families First Electronic Bill Payment Phase I Proposed Financial Process Flow

A. Proposed Financial Process Flow

The following proposed Process Flow for the Financial Process under Families First Electronic Bill Payment Phase I has been developed for Financial Management and Accounting review before inclusion in the full CONOPS. The proposed process relies on the Automated Commercial Payment and Accounting Process CONOPS dated August 30, 2001 scheduled for implementation in 2003.

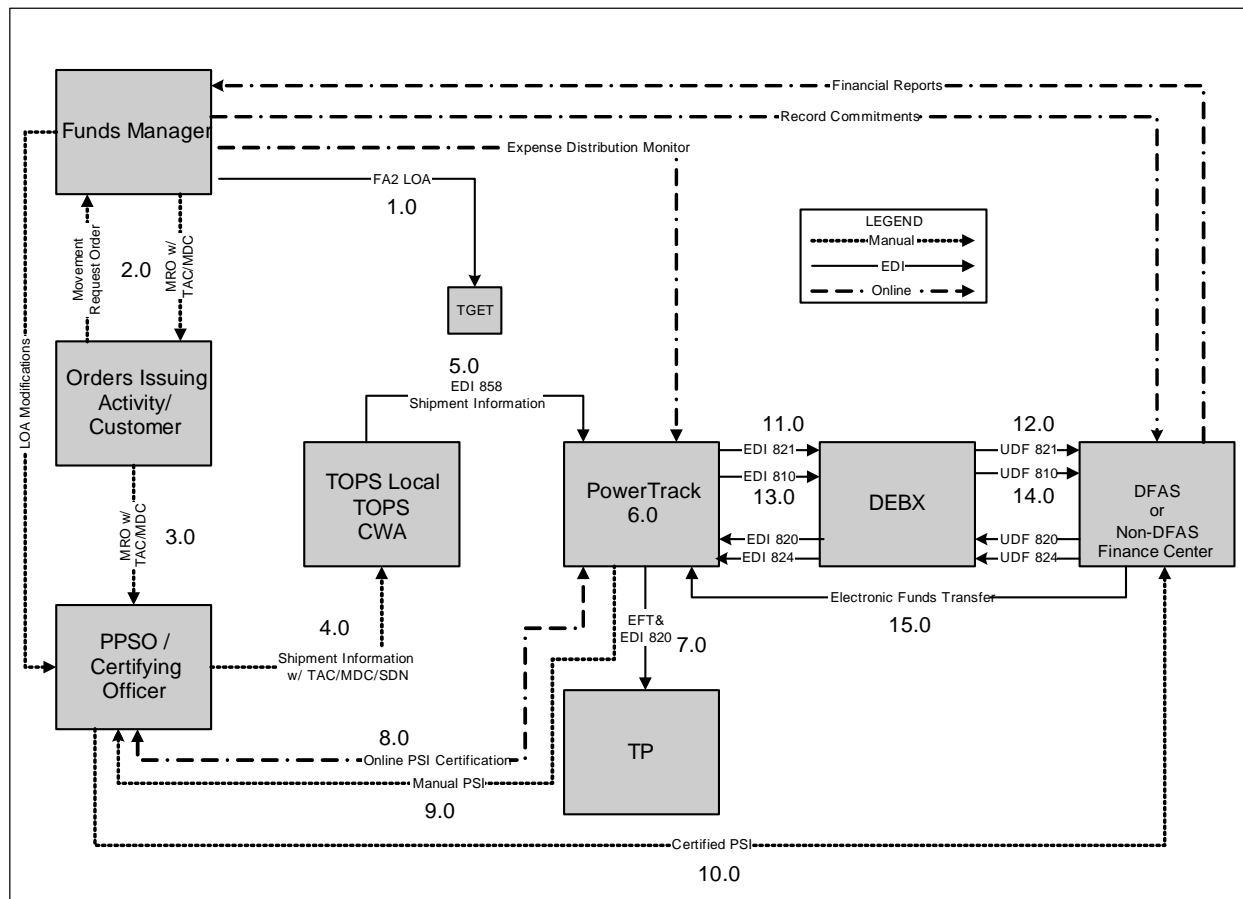


Figure A-1 Proposed Financial Process Flow

- 1.0 The Service TGET Administrator or a designated funds manager populates TGET with FA2 LOA data. Data will be entered into TGET via an on-line user interface or can be

uploaded directly from a system utilized by the Service. The shipper system will convert MDC/TACs to the appropriate FA2 segmented LOA using a copy of the TGET. If segmented LOAs are entered the shipper system will verify the accuracy and completeness of the segmented LOA using its copy of the TGET. (Please note that a final decision is pending as to the placement of the TGET in this process, hence the use of the generic term “shipper system”).)

- 2.0 Order Issuing Activity will enter TAC/MDC and SDN on Orders. The TAC/MDC is to be provided by Funds Manager. If TAC/MDC is not available for a FA2 LOA, a Text LOA must enter on Orders. The SDN must be created and entered on Orders upon order creation. The SDN creation will be based on individual Service requirements. At the time of Order creation, commitments will be recorded for all transactions within the timeframes required by law and other regulations as reflected in the “DoDFMR”.
- 3.0 Customer provides PPSO with the Orders created by Order Issuing Activity.
- 4.0 PPSO enters shipment data into TOPS (Local). Data entered into TOPS (Local) will be processed into TOPS (History) and then into CWA.
- 5.0 After shipment data is received from TP via PowerTrack, the shipment is rated and sent to PowerTrack via EDI 858.
- 6.0 PowerTrack will automatically generate a PSI. If a FA2 LOA is not available, the TEXT LOA from the EDI 858 will be used by PowerTrack in generating the hard-copy PSI. The TP payment will not be delayed if the LOA is missing or inaccurate.

- LOA Review

- Once PowerTrack receives the transaction, CO may review their respective LOA transactions within PowerTrack using the PowerTrack Expense Distribution Monitor. In addition, the CO may utilize reports such as the Summary Invoice and/or the on-line Statement Preview.. The Expense Distribution Monitor report will allow COs to search for LOAs by entering one or many segments of an LOA as the report parameters. The Expense Distribution Monitor clearly identifies the origin activity for each charge against each LOA. COs will contact the FMs to resolve any exceptions identified prior to certification of PSI.

- Edit Exception Resolution

- If the CO identifies an edit exception in the LOAs, he will contact the appropriate FM and provide the SDN, dollar amount, existing LOA, proper LOA for the transaction, reason for the change, and their phone number or email address. The CO will provide this information via written or electronic means to establish a record of changes for future references.

- If the transaction is missing the FA2 LOA in PowerTrack, the CO will contact the FM to resolve the missing data. The CO can either enter the FA2 LOA or a Text LOA if there is no FA2 LOA for the TAC/MDC.
 - If it is determined that the fund site listed on the Order is incorrect, any change to the transaction in PowerTrack must also be accompanied by a change or amendment to the original Order document.
 - Obligations – Please note that the Services will use their existing obligation processes during the Evaluation Period. An effort is underway to document the as-is obligation processes of each Service then develop a to be process that will be used when the DFAS Automated Payment and Accounting Process is implemented for personal property.
 - Under the automated payment and accounting process obligations will be electronically generated, therefore FMs do not need to manually enter obligations unless there is no FA2 LOA entered into TGET. If there is no FA2 LOA or the Service does not support the automated back-end process, Text LOAs will be utilized and the obligation is created and liquidated manually.
- 7.0 Upon completion of the matching criteria in PowerTrack, TP is paid via EFT.
- 8.0 The CO will certify the PSI on-line as soon as it is available. As a backup procedure to the automated certification process, the CO may download and print the PSI and submit it to DFAS after certification.
- The certification process for each origin owner may be centralized. For instance, for all Marine Corps sites, certification will take place at TVCB Albany. The CO may maintain a hard copy of the certified PSI for its records.
 - The CO will complete the certification of the PSI within 5 GBDs days of the PSI being available in PowerTrack for downloading and printing. In preparation for the certification and to correct any LOA issues in due time, the CO may use the on-line viewing capability in PowerTrack as well as the Expense Distribution Report in PowerTrack throughout the billing cycle to review LOAs and make corrections before the PSI generation.
- 9.0 If a FA2 LOA does not exist and a Text LOA is used, the manual hard copy PSI must be utilized and certified by the CO.

10.0 The hard copy certified PSI is then sent to the appropriate support finance center (by fax). If the transaction is a cross-disbursement, supporting documentation (Orders) must also be sent to the appropriate support finance center.

11.0 PowerTrack generates and transmits an obligation update feed to DEBX

- Upon certification of the PSI, PowerTrack will provide an accounting data update feed (with accrual information) in the EDI 821 format upon PSI certification. This data feed will update the original obligation.
- The data feeds will contain an identifier to indicate that they are updates to earlier obligation data feeds. DFAS systems will adjust the obligation upon receipt of the 821 accounting data feeds.
- In order to help identify the DFAS system destination of the data feed, PowerTrack will copy the Accounting Installation Number (AIN) from segment L1 of the FA201 loop to segment GS03 of the EDI. The data feeds will be transmitted to DEBX upon their creation.
- The EDI 821 will contain the original LOA and original dollar amount from the BoL, and the final LOA and final dollar amount for each transaction.

12.0 DEBX translates and transmits obligation update feed to DFAS systems

- DEBX will translate the EDI 821 accounting data feeds from PowerTrack to the appropriate User Defined File (UDF 821). DEBX will then transmit the data feeds to the appropriate DFAS system according to the AIN located in segment GS03 of the EDI 821 accounting data feed. DFAS systems will record accounting data upon receipt of an EDI 821.

13.0 PowerTrack generates and transmits an EDI 810 Invoice to DEBX.

- Upon certification of the PSI and successful transmission of the 821 accounting data feeds, PowerTrack will create EDI 810 data feeds to transmit the certified invoices to DFAS. PowerTrack will create one EDI 810 invoice for each different AIN (L1 segment of the FA2 LOA included within each PPSO PowerTrack Account), including AINs for the US Coast Guard and the Army Corps of Engineers. Each EDI 810 must contain the certification of the CO.
- PowerTrack will identify the DFAS and non-DFAS payer location in the GS03 segment of the EDI 810 data feed using the AIN.

- PowerTrack will create a unique invoice number for each invoice loop within an EDI 810. The entire invoice number must be no larger than 22 characters in order to be processed through all DFAS and non-DFAS payment systems. PowerTrack will transmit the EDI 810 data feeds to DEBX upon their creation.

14.0 DEBX sends the 810 UDF Invoice to the appropriate Vendor Pay entitlement system.

- DEBX will translate the EDI 810 data feeds into the appropriate invoice User Defined File (UDF 810) for the DFAS and non-DFAS destination systems.
- DEBX will determine the destination systems by the AIN in the GS03 segment of the EDI 810 Data feed. DEBX will then transmit these UDF 810 data feeds to the appropriate DFAS and non-DFAS system based upon the destination code table maintained by DFAS and non-DFAS finance centers.

15.0 DFAS and non-DFAS finance centers pay US Bank.

- DFAS and non-DFAS payment systems will process payments to U.S. Bank for all PowerTrack EDI 810 billings under current disbursing procedures. Payments will continue to be made via Electronic Funds Transfer (EFT) consistent with the current manual billing and payment process. Payment notification will be provided to the appropriate DFAS and non-DFAS finance centers' accounting systems using current notification procedures according to the owner of the funds disbursed. DFAS and non-DFAS finance centers' systems must return at least the first 16 characters of the invoice number in the EFT payment to PowerTrack to ensure that PowerTrack can apply the payment to the proper PowerTrack account.
- DFAS and non-DFAS finance centers will prepare remittance User Defined Files (UDF 820) to accompany the EFT reimbursement to U.S. Bank. Each UDF 820 data feed will include a remittance that lists the amount paid per unique 810 identifier. DFAS and non-DFAS finance centers will transmit the UDF 820 data feeds directly to U.S. Bank via DEBX upon their creation.

B. Schedule for Implementation of the DFAS Automated Payment and Accounting Process for Personal Property

The below schedule assumes personal property implementation begins 60 days after the scheduled implementation of the DFAS automated process for freight transactions.

<i>Service</i>	<i>PowerTrack Monthly Billing Cycle Ending In</i>
Marine Corps	February 2004

Navy	May 2004
Army	May 2004
Air Force	June 2004